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FOR MORE INFORMATION:

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**DSHS WILL SEEK FEDERAL APPROVAL OF ONE-YEAR EXTENSION
FOR SMOOTH TRANSITION TO HIPAA COMPLIANCE**

OLYMPIA – Under a new federal law, state health-care agencies, health plans, hospitals and other health-care providers could be granted an extra year to comply with the computer-coding changes required by the Health Insurance Portability and Accountability Act (HIPAA).

Washington's State Department of Social and Health Services is one of the entities covered by HIPAA that will opt for the one-year extension. The extra time will be instrumental in bringing the agency's health-care billing and payment systems into compliance with the single set of computer transactions envisioned under HIPAA.

The HIPAA law was enacted in 1996, but the compliance deadline for the transactions portion of HIPAA was originally set for this fall. Under the one-year extension, however, the deadline would be reset for October 16, 2003.

The HIPAA law applies to all kinds of health care – mental health, institutional and home care, drug treatment, as well as medical assistance, among many others. The law will consolidate several hundred different kinds of computer transactions into a single set of streamlined transactions that can be used by any health-care provider without investing in many complicated and expensive computer systems.

The extended schedule also means DSHS will start testing its changes as early as the spring of 2003.

Here are HIPAA's three major rules:

Transactions: Replace proprietary electronic formats used to perform various health-care transactions with a standard, industry-wide format. *Extended deadline: October 2003*

Privacy: Set down privacy standards that will safeguard the electronic transmission of health-care information and maintain the confidentiality of personal medical records.

Deadline: April 2003

Security: Establish verifiable security systems to prevent unauthorized access to personal medical records and payment information.

Deadline for compliance: Still pending, but cannot be set earlier than May 2004.

The extension applies only to HIPAA's Transactions and Code Sets rule, one of three major areas covered by the act. The deadline for compliance with the law's privacy rule remains April of 2003. The security rule has not yet been finalized, but the deadline for compliance is expected to be set for mid-2004.

DSHS and several other state agencies have been cooperating in a HIPAA Partnership for more than a year, sharing information and analysis, keeping the state's provider community abreast of developments and plans, and operating the state's HIPAA web site for both public and government partners.

More information about the HIPAA extension and how to apply for the federal extension is available on the Internet at <http://www.hcfa.gov/hipaa/hipaahm.htm>

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EDITORS: To learn more about HIPAA compliance efforts in Washington state, visit the HIPAA web site at <http://maa.dshs.wa.gov/dshshipaa> or e-mail stevej2@dshs.wa.gov for a free fact sheet on the state's HIPAA partnership.